



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



9

August 25, 1987

Budget and Finance Committee
of the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Home Purchase Finance Program - City of Sacramento


SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the City Council of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolution approving the Cooperative Agreement and transfer of funds.

Respectfully submitted,


WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:


JACK R. CRIST
Deputy City Manager

Attachment

00960



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



August 17, 1987

City Council of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Home Purchase Finance Program

SUMMARY

Historically the City and County have issued collaborative housing bonds. The collaborative approach was pursued in order to achieve economies of scale in bond financing and a coordinated City and County housing finance program. Under the collaborative approach, the County issues bonds on behalf of itself and the City. Staff previously, on May 12, 1987 received authority from the City and County to apply to the State Mortgage Bond Allocation Committee for a City/County bond allocation for Single family bonds and/or Mortgage Credit Certificates. A change in the State's allocation process requires that the City formally transfer its allocation to the County in order to enable the County to issue bonds on behalf of the City in a collaborative bond issue. In addition, staff requests that the City and County renew existing cooperative home finance agreements previously entered into. Finally, this staff report briefly summarizes the content of the allocation application and provides an update on each of the three financing components of the application: purchase of newly constructed homes, purchase and rehabilitation of existing homes, and Mortgage Credit Certificates (which are primarily for purchase of existing homes without rehabilitation).

8-25-87
All Districts

(1)

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BACKGROUND

Since 1980, the City and County have issued collaborative bond issues for Single family and Multifamily bonds. Under the collaborative approach, cooperative agreements are entered into with the County who will issue bonds on behalf of the City of Sacramento and the other City's within the County's jurisdiction. This cooperative approach has aided the City and County in successfully issuing \$120,000,000 in Single Family bonds since 1980 and \$315,000,000 in Multifamily bonds since 1984. (In 1983, the first year of the Multifamily Bond Program in Sacramento, the City issued one of the two bond issues completed that year).

On May 12, 1987, the Board of Supervisors and City Council authorized a \$60 million application to the Mortgage Bond Allocation Committee for a Mortgage Credit Certificates and/or Single Family Bond Program. (The new federal tax law imposes a volume cap on the amount of housing, economic, redevelopment and industrial development bonds that can be issued by each State. In turn, the State enacted allocation rules that allows each City and County to request up a maximum allocation for housing bond finance. In the case of Sacramento City and County, the maximum allocation is \$60 million per application). Upon Board and City Council's approval to make this application, staff issued a request for interested developers to apply for the proposed Single Family Bond Program.

NEW CONSTRUCTION COMPONENT

Applications were received from seven developers for a total bond request of \$27.8 million. Of this allocation \$5.75 million in product is located in the City and \$22.05 million in the County. The Bond Program will provide funding for approximately 330 units, located in 22 projects throughout the City and County. Project locations include, South Natomas, Pocket Area, Meadowview/Valley High, Antelope, Gerber Road, Power Inn Road, Rio Linda, Laguna and Elk Grove. A listing of the specific projects and a summary of program requirements can be found in Attachment I.

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PURCHASE AND REHAB COMPONENT

In addition, to the Single Family Home Purchase Program, staff is pursuing development of a home purchase and rehab component. Under this part of the bond program, up to \$5 million in proceeds will be made available for both purchase and rehab and refinance and rehab loans. The loans will be insured under the HUD 203(k) Program. The program provides purchase and rehab funds under a first deed of trust. As such, we believe the program may make homeownership opportunities possible for a lower income group than either the new construction bond or Mortgage Credit Certificate Program currently reaches.

In 1985 a study by the Land Economics Group for Sacramento Housing and Redevelopment Agency concluded that 14,000-18,000 housing units in Sacramento are in need of rehabilitation. Since that time staff has been investigating new rehab funding options that would augment or complement existing Agency rehab programs. The proposed rehab bond program will make funds available in City and County CDBG, Rehab, Redevelopment and Neighborhood Housing Service target areas. The funds may also be available in many other areas throughout the County. Staff is currently working with Bond Counsel to define areas that comply with State law requirements. A summary of the 203(k) program parameters can be found in Attachment II.

MCC COMPONENT

Finally, staff recommends converting the balance of the allocation, or about \$27.2 million, to MCC's. This translates into \$6.8 million in additional MCC authority. Mortgage Credit Certificates provide a tax credit to first time homebuyers. The credit is in the amount of 20% of the person's annual mortgage interest payment. To date 410 MCC's have been awarded, with 700 applications pending. All of the \$15 million 1985 MCC Allocation has been used, except for the "target area" set aside. Over three and a half million of the \$11 million 1986 allocation has also been committed in applications since May 4, 1987.

The MCC Program is primarily a resale home program. The average MCC applicant has an income of \$26,097. The average purchase price is \$72,251. A summary of the MCC program parameters can be found in Attachment III.

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GENERAL PROGRAM REQUIREMENTS

All three components of this application are subject to the same overall program requirements: (1) Maximum income cannot exceed \$36,340; (2) Maximum purchase price for a new home is \$121,050; and for a resale home is \$101,520; (3) 90% of all applicants must be a first time homebuyer. (The first-time homebuyer requirement does not apply to the 203(k) purchase and rehab portion of the bond issue).

For the purchase and rehab program, State law requires that half of the proceeds or \$2.5 million be reserved for households who earn under 90% of median, or \$28,440. Pursuant to local policy on the MCC Program, 30% of the MCC allocation is reserved for households who earn under 80% of median income or \$25,280. A person at this income level could probably afford a \$68,000 - \$70,000 home with the MCC. This 30% set aside for households who earn under 80% of median, is not realistic for the new home construction component of the bond program, where home prices range from \$71,000 - \$121,000. The average home price under the bond program is about \$87,000 - \$90,000. (This is not a weighted average and therefore is skewed upward because of the value of the higher priced homes). We expect, based on prior experience, that of the total bond proceeds dedicated to new construction, about 2% will likely fund loans for households under 80% of median, and about 20% - 25% will likely fund loans for households under 90% of median. We are therefore not uncomfortable with requiring the 30 percent set aside for the MCC and rehab components but not for the new construction component. Staff believes that the three components of this financing application offer the City and County a comprehensive home purchase funding program. Funds will be made available for purchase of new homes in developing areas within the City and County; for purchase of existing, presumably more affordable homes, and for the purchase and rehab of homes that may otherwise, over a period of time, become lost to the housing stock. To the extent staff is unsuccessful in accomplishing all or a portion of the Bond Program in accordance with State mandated time frames, staff suggests converting up to the full \$60 million in allocation to MCC's.

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In order to accomplish the goals of the application, and pursue a collaborative finance program, the new State allocation rules require that the City officially transfer its allocation to the County. In addition, staff recommends that the City and County renew cooperative agreements previously entered into. The Cooperative Agreement is attached as Exhibit A to the staff report.

FINANCIAL DATA

The City has previously authorized on May 12, 1987 that half a percent of the requested allocation amount or \$100,000 be placed in an escrow fund pursuant to State law. The funds will be taken from existing Mortgage Revenue Bond fees and are released once the bonds are issued. (Note: The City may have to pay up to \$75,000, to be taken from MRB fees, to defray the upfront cost of issuing the rehab portion of the bond issue. This amount could be partially recouped through the collection of origination points as the 203(k) loans are funded. The exact cost for issuing the rehab portion of the bonds will be presented for your approval within the next few weeks when you will be asked to authorized the issuance of the bonds).

ENVIRONMENTAL REVIEW

Not applicable to this report

POLICY IMPLICATIONS

This report recommends that local policy enacted in 1984 and 1985, requiring that 30% of the mortgage pool on Single Family Bond/MCC Programs be reserved for households at 80% of median income, be waived with respect to the new construction portion of the bond program. This policy was enacted in late 1984, in response to Federal tax law changes earlier that year that required adoption of local policies on Single Family Bond Programs. The 1986 Federal tax law changes, repealed this local policy requirement. Our last Single family bond issue was in 1984, prior to adoption of this local policy.

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VOTE AND RECOMMENDATION OF COMMISSION


At its regular meeting of August 17, 1987 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Glud, Moose, Pettit, Sanchez, Sheldon, Simon,
Simpson, Wooley, Yew, Amundson
NOES: None
NOT PRESENT TO VOTE: Wiggins
ABSENT: None

RECOMMENDATION

The Council is requested: (1) to adopt the attached resolution that requests MBAC approve the transfer of the City's \$20 million allocation to the County; and (2) approve the attached Cooperative Agreement that authorizes the County to issue bonds or MCC's or behalf of the City.

Respectfully submitted,


WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: John Molloy

RESOLUTION NO. _____

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

August 25, 1987

RESOLUTION ADOPTING A HOME MORTGAGE FINANCE AND MORTGAGE CREDIT CERTIFICATE PROGRAM IN COOPERATION WITH THE COUNTY OF SACRAMENTO, AUTHORIZING AN APPLICATION TO THE MORTGAGE BOND ALLOCATION COMMITTEE, AND AUTHORIZING THE EXECUTION FOR AND ON BEHALF OF THE CITY OF SACRAMENTO OF A COOPERATIVE AGREEMENT BETWEEN THE COUNTY OF SACRAMENTO AND THE CITY OF SACRAMENTO

WHEREAS, there is a shortage in the County of Sacramento (the "County") and in the City of Sacramento (the "City") of decent, safe and sanitary housing, particularly of housing affordable by persons in the lower end of the purchasing spectrum, and a consequent need to encourage the construction, rehabilitation and improvement of homes affordable by such persons and otherwise to increase the housing supply in the County and in the City for such persons; and

WHEREAS, the Board of Supervisors of the County has adopted an ordinance declaring its intent to engage in a home mortgage finance and mortgage credit certificate program (the "Program") pursuant to Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") and to issue bonds and mortgage credit certificates pursuant to the Act to finance the Program; and

WHEREAS, the Council finds and determines that it is in the best interest of the City to adopt the Program and to consent to the operation of the Program by the County within the geographic boundaries of the City pursuant to the Act; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of qualified mortgage bonds and/or mortgage credit certificates that may be issued in any calendar year by entities within a state and authorizes the legislature of such state to provide the method of allocation within the state; and

WHEREAS, Chapter 3.5 of Part 1 of Division 31 of the Act governs the allocation of the state ceiling among governmental units in the State having the authority to issue qualified mortgage bonds and mortgage credit certificates; and

WHEREAS, Section 50191 of the Act requires a local agency to file an application with the Mortgage Bond Allocation Committee prior to the issuance of qualified mortgage bonds or mortgage credit certificates, and Section 50192 of the Act permits the assignment by the local agency of all or part of the principal amount, if any, of qualified mortgage bonds allocated to the local agency to another issuer authorized pursuant to the Act to issue qualified mortgage bonds or mortgage credit certificates.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1. The City hereby adopts the Program for the purpose of increasing the housing supply in the County and in the City and consents to the operation of the Program by the County with respect to all property located within the geographical boundaries of the City.

SECTION 2. The Cooperative Agreement, dated as of September 1, 1987, between the County and the City (the "Agreement"), a copy of which is attached hereto as Exhibit A, is hereby approved and the Mayor is hereby authorized and directed to execute and deliver the Agreement, for and in the name and on behalf of the City. The Mayor, with the advice and consent of the City Attorney, is authorized to approve any additions to or changes in the form of the Agreement deemed necessary or advisable, approval of such additions or changes to be conclusively evidenced by execution by the Mayor of the Agreement as so added to or changed. The Mayor, with the advice and consent of the City Attorney, is further authorized to enter into such additional agreements with the County, execute such other documents or take such other actions as they may deem necessary or appropriate to carry out the purpose and intent of the Agreement or to cooperate in the implementation of the Program.

SECTION 3. The Redevelopment Agency of the City of Sacramento (the "Agency") is hereby authorized, on behalf of the City of Sacramento, to submit an application, and such other documents as may be required, to the Mortgage Bond Allocation Committee for an allocation of \$20,000,000 with respect to qualified mortgage bonds and/or mortgage credit certificates to be issued by the County of Sacramento in an aggregate principal amount not to exceed \$60,000,000 of which amount approximately \$6,000,000 of qualified mortgage bonds and mortgage credit certificates are expected to be issued to provide financing for the benefit of properties located within the City.

SECTION 4. An amount equal to one half (1/2) of one percent (1%) of the requested allocation is hereby authorized to be placed into an escrow account, and the Executive Director of the Agency, on behalf of the City, is authorized to certify to

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the Mortgage Bond Allocation Committee that such funds are available. The following Agency funds are to be applied to this bond reservation fee: \$100,000 of Fund 592 Mortgage Revenue Bond Fees, Account No. 1501-General Operating Investments.

SECTION 5. The City hereby authorizes, pursuant to Section 50192 of the Act and Section 4 of the Agreement, the assignment to the County of all of the principal amount, if any, of qualified mortgage bonds and/or mortgage credit certificates which the City has been or will be allocated, on or before December 31, 1987, by the Mortgage Bond Allocation Committee pursuant to Section 146 of the Internal Revenue Code of 1986 and Section 50191 of the Act. Said assignment shall be made only in accordance with the Act and Section 4 of the Agreement.

SECTION 6. The officers and employees of the City and the Sacramento Housing and Redevelopment Agency are hereby authorized and directed, jointly and severally, to do any and all things necessary or advisable in order to consummate the issuance of the mortgage credit certificates and the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this resolution, and all actions previously taken by such officers and employees in connection with the establishment of the Program and the issuance of the mortgage credit certificates and the issuance, sale and delivery of the Bonds are hereby ratified and approved.

SECTION 7. This Resolution shall take effect from and after its adoption.

MAYOR

ATTEST:

CITY CLERK

COOPERATIVE AGREEMENT BETWEEN THE COUNTY
OF SACRAMENTO AND THE CITY OF SACRAMENTO

THIS COOPERATIVE AGREEMENT (the "Agreement"), dated for convenience as of September 1, 1987, by and between the County of Sacramento, a political subdivision of the State of California (the "County"), and the City of Sacramento, a political subdivision of the State of California (the "City").

W I T N E S S E T H:

WHEREAS, the County has determined to engage in a home mortgage finance and mortgage credit certificate program pursuant to Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") in connection with the construction, acquisition, rehabilitation or improvement of homes in the County, all as provided for in the Act (the "Program");

WHEREAS, the County, pursuant to the Act, has established the Program by Ordinance No. 1235, passed on November 25, 1980, and by Resolution No. 87-294 adopted March 10, 1987, and has determined to cooperate with the City pursuant to the Act in the exercise of its powers under the Act for purposes of the Program;

WHEREAS, the City has adopted the Program and determined to cooperate with the County pursuant to the Act in the exercise of its powers under the Act for the purposes of the Program; and

WHEREAS, the County has determined to finance the Program by the issuance of revenue bonds and/or mortgage credit certificates as authorized by the Act:

NOW, THEREFORE, in consideration of the mutual covenants hereinafter provided, the parties hereto agree as follows:

SECTION 1. The terms used in this Agreement shall, for all purposes of this Agreement, unless otherwise defined herein, have the meanings assigned to such terms in the Act.

SECTION 2. The County agrees to undertake the Program and to issue revenue bonds and/or mortgage credit certificates therefor pursuant to the Act as soon as possible.

SECTION 3. The City hereby agrees that the County may finance home mortgages under the Program, all as more specifically set forth in the Act, with respect to property located within the geographical boundaries of the City, and further agrees that the County may exercise any or all of the

City's powers for the purpose of financing home mortgages pursuant to the Act with respect to property located within the geographic boundaries of the City.

SECTION 4. The City, pursuant to Section 50192 of the Health and Safety Code of the State of California (the "Act"), hereby assigns to the County all of the principal amount, if any, of qualified mortgage bonds which the City has been or will be allocated by the Mortgage Bond Allocation Committee (the "Committee") pursuant to Section 146 of the Internal Revenue Code of 1986 and Sections 50189 and 50191 of the Act for the calendar year 1987 on or before December 31, 1987. Such assignment is solely for use by the County to provide financing for properties located within the territory of the City (including a proportionate share of costs of issuance, underwriter's discount, capitalized interest, reserve funds and similar expenses associated with the issuance of revenue bonds), provided that such assignment shall not be deemed ineffective if, after issuance of the qualified mortgage bonds and/or mortgage credit certificates and for reasons beyond the control of the County, the County is unable to use any portion of the proceeds of such qualified mortgage bonds or issue mortgage credit certificates to provide financing for properties located within the territory of the City, as required by this assignment, and such proceeds are instead used to redeem bonds or to provide financing for properties located within the County. Any fee charged by the Committee pursuant to Section 50195 of the Act shall be paid by the County or, if paid by the City, reimbursed by the County.

SECTION 5. The City agrees to undertake such further proceedings or actions as may be necessary in order to carry out the terms and the intent of this Agreement. Nothing in this Agreement shall prevent the County from entering into one or more agreements with other political subdivisions within the County, if deemed necessary and advisable to do so by the County.

SECTION 6. This Agreement may be amended by one or more supplemental agreements executed by the County and the City at any time, except that no such amendment or supplement shall be made which shall adversely affect the rights of the holders of any bonds or mortgage credit certificates issued by the County pursuant to the Act in connection with the Program.

SECTION 7. The term of this Agreement shall extend until the bonds or mortgage credit certificates issued to finance the Program are fully paid and retired, or shall terminate if bonds or mortgage credit certificates are not issued to finance the Program.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, all as of the day first above written.

COUNTY OF SACRAMENTO

By: _____
Chairman of the Board of Supervisors

[SEAL]

ATTEST:

By: _____
Clerk of the Board of Supervisors

CITY OF SACRAMENTO

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

ATTACHMENT I

SUMMARY OF SINGLE FAMILY BOND PROGRAM

PROGRAM DESCRIPTION

Under the bond program, the County issues tax exempt bonds on behalf of developers. The proceeds are made available in designated projects located in the City and County of Sacramento. The loans can only be originated by participating program lenders. Loans provide fixed rate financing for 30 years. Loan underwriting will be based on FHA/VA guidelines. Unused proceeds are called after two years from bond sale.

ISSUE SIZE: \$27.8 million

NO. OF DEVELOPERS: 7

NO. OF PROJECTS: 22

RANGE OF HOME PRICES: \$71,000 - \$112,000

PROJECTED DEVELOPER POINTS: 4-4.5%

LOAN PARAMETERS:

- FHA/VA Loans
- 30 year, fixed rate
- Projected Mortgage Amount 8.5%
- 1% Loan Origination
- 95% loan to value

PROGRAM REQUIREMENTS

*First-Time Homebuyer

*Maximum Income \$36,340

*Maximum Purchase Price: New \$121,050
 Resale \$101,520

*20% of bond proceeds set aside for use in designated target areas for one year

*Person must occupy home as principal place of residence

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Exhibit

PROJECT SUMMARY AND DEVELOPMENT STATUS
SACRAMENTO COUNTY MRB
1987

Developer / Project Name Project Type/ Location	Number of Units	Br/Bath/Den	Unit Price	Unit Size (Sq. Ft.)	Price Per Sq. Ft.	Density (D.U./Acre)	Requested Mortgage Allocation	Estimated Number of MRB Units
HONEY CREEK, A CALIFORNIA LTD. PARTNERSHIP	15	2or3/2	\$84,700 / 87,900	1,110	\$76 / 79	5	\$1,500,000	18
Honeycreek Single-Family Detached	18	3/2	86,700 / 89,900	1,292	67 / 70			
Sacramento County	23	3/2	87,700 / 90,900	1,467	60 / 62			
Gerber Road at South Breeze Drive	28	3/2/1	88,700 / 91,900	1,492	59 / 62			
---	40	4/2	91,700 / 94,900	1,692	54 / 56			
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M.J. BROCK & SONS, INC. Larchmont Laguna Creek Single-Family Detached (PUD)	168	3/2	102,950	1,332	77	5	500,000	4
Sacramento County		3/2	107,950	1,593	68			
Laguna Creek Drive		4/3	120,950	1,819	66			
		4/3	127,950	1,984	64			
		4/2.5	133,950	2,182	61			
Larchmont Countryside Single-Family Detached	239	2/2	83,950	1,100	76	5	1,250,000	13
Sacramento County		3/2	93,950	1,379	68			
Auberry Drive and Power Inn Road		3/2	97,950	1,502	65			
		3/2.5	99,950	1,626	61			
		4/3	112,950	1,883	60			
Larchmont CountryFaire Single-Family Detached	229	2/2	75,950	960	79	5	2,250,000	27
Sacramento County		3/2	80,950	1,079	75			
Auberry Drive and Power Inn Road		3/2	83,950	1,192	70			
		4/2	90,950	1,455	63			
Larchmont Antelope Ranch Single-Family Detached	264	3/2	90,950	1,199	76	5	1,000,000	10
Sacramento County (North Highlands)		4/2	96,950	1,455	67			
Antelope and Walerga Roads		4/2	100,950	1,587	64			
		4/3	110,950	1,819	61			
		4/3	116,950	1,982	59			

PROJECT SUMMARY AND DEVELOPMENT STATUS
SACRAMENTO COUNTY MRB
1987

Developer / Project Name	Land Control	Approvals	Construction Financing	Development Phasing	Marketing & Sales Program	Comments
HONEY CREEK, A CALIFORNIA LTD. PARTNERSHIP Honeycreek	Fee simple.	Tentative subdivision map approved.	Sacramento Commercial Bank Under negotiation.	Phases 1 to 5: Start 8/87 Completion 12/88.	Start 7/87 to 12/88.	In Phases 3 through 9, 97 of the 144 homes sold were to first-time buyers. No other bond financing.
M.J. BROCK & SONS, INC. Larchmont Laguna Creek	Fee simple.	Final subdivision map approved.	Internally financed.	Phase 1 10/87 to 2/88. Phase 2 3/88 to 6/88.	Start 10/87 to 11/89.	This project is a Planned Unit Development. No other bond financing has been obtained.
Larchmont Countryside	Fee simple.	Final subdivision map approved.	Internally financed.	Phase 1 7/87 to 11/87. Phase 2 1/88 to 4/88.	Started 7/84 to 7/89.	102 of 171 units sold were to first-time homebuyers. CHFA "J" \$760,000. CHFA "I" \$450,000.
Larchmont Countryfaire	Fee simple.	Final subdivision map approved.	Internally financed.	Phase 4 10/87 to 1/88. Phase 5 3/88 to 7/88.	Started 6/86 to 1/89.	68 of 97 units sold were to first-time homebuyers. CHFA "J" \$762,180. CHFA "I" \$810,000.
Larchmont Antelope Ranch	Fee simple.	Final subdivision map approved.	Internally financed.	Phase 2 8/87 to 11/87. Phase 3 11/87 to 3/88. Phase 4 3/88 to 6/88.	Started 4/87 to 6/89.	22 of 29 units sold were to first-time homebuyers. CHFA "I" \$540,000.

Exhibit

PROJECT SUMMARY AND DEVELOPMENT STATUS
SACRAMENTO COUNTY MRB
1987

Developer / Project Name Project Type/ Location	Number of Units	Br/Bath/Den	Unit Price	Unit Size (Sq. Ft.)	Price Per Sq. Ft.	Density (D.U./Acre)	Requested Mortgage Allocation	Estimated Number of MRB Units
REYNEN, BARDIS & WINN	112	3/2	96,000	1,210	79	5	700,000	7
Antelope Heights		3/2	100,000	1,380	72			
Single-Family Detached		3/2	108,000	1,590	68			
Sacramento County (North Highlands) Watt Avenue and Elverta Road		3/2.5	120,000	1,870	64			
Antelope Heights -Leisure Series	46	2/1	71,000	926	77	9	1,400,000	20
Single-Family Attached		2/2	73,000	1025	71			
Sacramento County (North Highlands) Watt Avenue and Elverta Road		2/2	73,000	1097	67			
		2/2	77,000	1171	66			
Laguna Creek West	227	3/2	95,000	1,181	80	5	700,000	7
The Seasons - Autumn Series		3/2	103,000	1,361	76			
Single-Family Detached		3/2	106,000	1,571	67			
Sacramento County (Elk Grove) Bruceville Road & Laguna Boulevard		3/2.5	116,000	1,851	63			
		3/2.5	127,000	2,191	58			
Laguna Creek West	374	2/2	89,000	1,031	86	9	1,400,000	16
The Seasons - Spring Series		3/2	93,000	1,231	76			
Single-Family Detached		3/2.5	101,000	1,331	76			
Sacramento County (Elk Grove) Bruceville Road & Laguna Boulevard		3/2.5	102,000	1,461	70			
Charter Pointe	111	2/2	97,000	1,210	80		500,000	5
Single-Family Detached		3/2	98,000	1,255	78			
City of Sacramento		2/2.5	105,000	1,354	78			
Rush River Drive & Windbridge Drive		3/2.5	108,000	1,488	73			
Antelope Springs	102	2/2	89,000	1,032	86		1,400,000	16
Single-Family Detached		3/2	93,000	1,232	75			
Sacramento County (North Highlands) Watt Avenue & Elverta Road		3/2.5	101,000	1,332	76			
		3/2.5	102,000	1,462	70			

PROJECT SUMMARY AND DEVELOPMENT STATUS
SACRAMENTO COUNTY MRB
1987

Developer / Project Name	Land Control	Approvals	Construction Financing	Development Phasing	Marketing & Sales Program	Comments
REYNEN, BARDIS & WINN Antelope Heights	Fee simple.	Final subdivision map approved. Building permits obtained.	California First Bank In effect - drawdown underway.	Phase I-A 1/87 to 6/87. Phase II-A starts 6/87.	On-going marketing.	CHFA #1" \$500,000 @ 8.4%. CHFA #1" \$300,000 @ 9.25%.
Antelope Heights -Leisure Series Single-Family Attached	Fee simple.		California First Bank In effect - drawdown underway.	Phase I-A 1/87 to 6/87.	Marketing started in 1987.	Escrow closed on 8 units. CHFA #1" \$500,000 @ 8.4%. CHFA #1" \$300,000 @ 9.25%.
Laguna Creek West The Seasons - Autumn Series	Fee simple.	Final subdivision map approved. Building permits obtained.	Lomas & Nettleton Co. In effect - drawdown underway.	Phase I-A 8/86 to 2/87. Phase I-B 10/86 to 3/87. Phase II-A 3/87 to 6/87.	On-going marketing.	71 units closed escrow. CHFA #1" \$500,000 @ 8.4%. CHFA #1" \$300,000 @ 9.25%.
Laguna Creek West The Seasons - Spring Series	Fee simple.	Final subdivision map approved. Building permits obtained.	Lomas & Nettleton Co. In effect - drawdown underway.	Phase I-A 8/86 to 1/87. Phase I-B 10/86 to 3/87. Phase II-A 3/87.	On-going marketing.	91 units closed escrow. CHFA #1" \$500,000 @ 8.4%. CHFA #1" \$300,000 @ 9.25%.
Charter Pointe	Fee simple.	Final subdivision map approved. Building permits obtained.	Placer Savings & Loan In effect - drawdown underway.	Phase V-A 12/86 to 4/87 Phase V-B 1/87 to 5/87. Phase V-C started 3/87. Phase V-D started 5/87.	On-going marketing.	78 units closed escrow. CHFA #1" \$500,000 @ 8.4%. CHFA #1" \$300,000 @ 9.25%.
Antelope Springs	Fee simple.	Final subdivision map approved. Building permits obtained.	Commerce Savings Bank	Phase I-A 9/86 to 2/87. Phase I-B 2/87 to 5/87. Phase II-A 3/87 to 7/87. Phase II-B started 3/87.	On-going marketing.	78 units closed escrow. CHFA #1" \$800,000 @ 8.4%. CHFA #1" \$200,000 @ 9.25%.

Exhibit

PROJECT SUMMARY AND DEVELOPMENT STATUS
SACRAMENTO COUNTY MRB
1987

Developer / Project Name Project Type/ Location	Number of Units	Br/Bath/Den	Unit Price	Unit Size (Sq. Ft.)	Price Per Sq. Ft.	Density (D.U./Acre)	Requested Mortgage Allocation	Estimated Number of MRB Units
U.S. HOME CORPORATION Breeburn Single-Family Detached Sacramento County (North Highlands) Elverta and Pinefield Roads	170	3/1.5 3/2.5 4/2.5 4/2.5	89,950 98,300 105,450 112,500	1,210 1,469 1,691 1,908	74 67 62 59		1,000,000	10
Southwick Single-Family Detached City of Sacramento Truxel Road and Bridgecreek Drive	108	2/1 3/2.5 4/2.5	94,775 104,775 112,725	1,178 1,470 1,690	80 71 67		1,000,000	10
Lochinvar Single-Family Detached City of Sacramento Center Parkway and Calvine Road	109	3/1.5 3/2.5 4/2.5	89,000 95,000 99,000	1,210 1,469 1,691	74 65 59		1,000,000	10
DUNMORE DEVELOPMENT INC. Sunrise Greens Single-Family Detached Sacramento County Elise and Power Inn Road	271	2/2 3/2 4/2	70,350 / 71,550 76,750 / 82,250 80,350 / 84,750	950 1,200 1,400	74 / 75 64 / 69 57 / 61	5	2,000,000	25
Sunrise Antelope Single-Family Detached Sacramento County (North Highlands) Walerga and Galbrath Roads	109	3/2 4/2	82,650 / 83,750 88,950	1,380 1,600	60 / 61 56	5	1,000,000	14
Sunrise Vineyards Single-Family Detached Sacramento County (Elk Grove) Elk Grove Florin and Vintage Park	112	3/2 4/2	94,500 / 98,500 101,250 / 115,250	1,360 1,750	69 / 72 58 / 66	5	2,000,000	22

Exhibit

PROJECT SUMMARY AND DEVELOPMENT STATUS
SACRAMENTO COUNTY MRB
1987

Developer / Project Name	Land Control	Approvals	Construction Financing	Development Phasing	Marketing & Sales Program	Comments
U.S. HOME CORPORATION Breaburn	Fee simple.	Building permits obtained.	Internally financed.	Started 3/87 to 8/87.	Started 5/87 to 8/89.	No other bond financing.
Southwick	Fee simple.	Building permits obtained.	Internally financed.	Started 3/86 to 3/87.	Started 8/86 to 5/87.	49 of 67 units sold were to first-time homebuyers. No other bond financing.
Lochinvar	Fee simple.	Tentative subdivision map approved.	Internally financed.	To start 9/87 with completion in 2/89.	To start in 11/87 with completion in 12/88.	No other bond financing.
DUNMORE DEVELOPMENT INC. Sunrise Greens	Fee simple.	Building permits obtained.	First Interstate Bank	Phases 1 to 5: Start 8/80 Completion 1989.	Started 8/80.	270 of 409 units sold were to first-time homebuyers. CHFA \$3,000,000. CHFA \$1,000,000 - do not expect to use by expiration.
Sunrise Antelope	Fee simple.	Tentative subdivision map.	Wells Fargo Bank Committed.	Start 9/87.	Start 9/87.	No other bond financing.
Sunrise Vineyards	Fee simple.	Building permits obtained.	Wells Fargo Bank Committed.	Start 8/87.	Start 8/87.	No other bond financing.

Exhibit

PROJECT SUMMARY AND DEVELOPMENT STATUS
SACRAMENTO COUNTY MRB
1987

Developer / Project Name Project Type/ Location	Number of Units	Br/Bath/Den	Unit Price	Unit Size (Sq. Ft.)	Price Per Sq. Ft.	Density (D.U./Acre)	Requested Mortgage Allocation	Estimated Number of MRB Units
Sunrise Northwind Single-Family Detached City of Sacramento Grace and Norwood	215	2/2 3/2 4/2	78,400 82,650 / 86,250 88,950	1,000 1,300 1,587	78 64 / 66 56	5	2,000,000	27
Sunrise Village Park Single-Family Detached City of Sacramento Mack and Brookfield	301	2/2 3/2 4/2	74,650 78,650 / 82,100 80,500 / 83,800	1,000 1,300 1,500	75 61 / 63 54 / 56	5	2,000,000	28
LEVIS HOMES OF CALIFORNIA Laguna Creek Village No.4 & 5 Single-Family Detached Sacramento County Franklin and Sheldon	26 24 22 ---	3/2 3/2/1 3/2	86,000 95,000 100,000	1,087 1,239 1,462	79 77 68	4-4.5	973,500	11
Las Flores 1 & 2 Single-Family Detached Sacramento County Carlisle and Elk Grove	29 30 22 21 ---	3/2 3/2 3/2.5 4/2.5	87,000 97,000 96,000 106,000	1,197 1,414 1,469 1,741	73 69 65 61	6.5	550,050	6
SUNVIEW DEVELOPMENT CORPORATION Sunview Place #3 Single-Family Detached Sacramento County (Rio Linda) West 2nd and M Streets	25	3/2 3/2 3/2 4/2	75,000 80,000 80,000 83,000	1,170 1,330 1,385 1,566	64 60 58 53	5	1,700,000	20
=====								
TOTALS	3,590			1,308	\$67		\$27,823,550	326

PROJECT SUMMARY AND DEVELOPMENT STATUS
SACRAMENTO COUNTY MRB
1987

Developer / Project Name	Land Control	Approvals	Construction Financing	Development Phasing	Marketing & Sales Program	Comments
Sunrise Northwind	Fee simple.	Building permits obtained.	Wells Fargo Bank In effect - drawdown.	Phase 1-2: Started 10/86 Completion 1989.	Started 10/86.	24 of 18 units sold were to first-time homebuyers. CHFA \$2,000,000. All committed.
Sunrise Village Park	Fee simple.	Building permits obtained.	Wells Fargo Bank In effect - drawdown.	Phase 3-4: Started 3/85 Completion 1991.	Started 3/85.	74 of 100 units sold were to first-time homebuyers. CHFA \$3 mil. expires 12/87. Will use approximately half.
LEWIS HOMES OF CALIFORNIA Laguna Creek Village No.4 & 5	Fee simple.	Final subdivision map approved. Grading permits obtained.	Security Pacific Bank Not in place yet.	To start 9/87 with completion 1/88.	To start 12/87 with completion 10/88.	Part of a master-planned community. No other bond financing.
Las Flores 1 & 2	Fee simple.	Final subdivision map approve. Building permits obtained.	Internally financed.	Start 1/87 to 11/87.	Started 1/87 to 12/87.	Approximately 10 of the 71 units sold were to first-time homebuyers. No other bond financing.
SUNVIEW DEVELOPMENT CORPORATION Sunview Place #3	Fee simple.	Final subdivision map approved.	Sunrise Bank Drawdown underway.	Start 6/87 until 8/87.	Start 9/87 to 6/88.	No other bond financing.

Source: Spear Street Advisors, Inc.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

ATTACHMENT II

SUMMARY OF 203(k) PURCHASE & REHAB PROGRAM

DESCRIPTION

Bond proceeds may be used for purchase and rehab, or refinance and rehab of Single family homes located in CDBG, Redevelopment, rehab and NHS target areas. Other target areas are under consideration. Unused proceeds are called after two years from bond sale.

The 203(k) program requires that rehab funds first be used to remedy all code and health and safety violations. Other repairs can be made if the loan ratios can support the required level of mortgage to cover "noncode" repair costs. Luxury items such as pools and spas are ineligible for funding. Two to four family owner occupied structures may be eligible for the program.

ISSUE SIZE

\$5 million

LOAN PARAMETERS

Maximum mortgage allowed by HUD is \$90,000. Mortgage amount is based on expected market value after completion of proposed improvements.

- * FHA ratios used in loan underwriting.
- * 30 years fixed rate loans.
- * Projected mortgage amount 8.5%
- * 1% origination for home purchase portion
- * 1.5% origination on rehab portion
- * Two appraisals required: "as is" appraisal and after rehab value appraisal
- * 95-97% loan to value

TARGETING

Half of the \$5 million in bond proceeds must be reserved for households who earn under 90% of median income or \$28,440, pursuant to State law. Otherwise maximum income cannot exceed \$36,340.

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

ATTACHMENT III

SUMMARY OF MORTGAGE CREDIT CERTIFICATE PROGRAM

DESCRIPTION

The MCC Program provides a 20% tax credit to qualified applicants. The tax credit is based on 20% of the homeowner's annual mortgage interest payment. Applicant obtains a conventional loan from one of the fifty-four qualified lenders at prevailing market rates. The tax credit provides additional income to the homeowner (assuming they can use the full credit each year), which translates into a 2-3% interest subsidy on the loan.

ALLOCATION REQUEST

\$6.8 million MCC allocation (or \$27.2 million in bond authority).

PROGRAM REQUIREMENTS

- * First-Time Homebuyer
- * Maximum income cannot exceed \$36,340. As a local policy 30% of the MCC allocation is reserved for households whose income does not exceed 80% of median or \$25,280.
- * Purchase Price Cannot Exceed: \$101,520 Existing Home
 \$121,050 New Home
- * Homeowner must occupy home as principal place of residence.
- * Home must be located within the City or County of Sacramento.
- * Refinancing not allowed.

LOAN PARAMETERS

Depends on the type of loan the applicant can secure. Most loans are FHA, although some private mortgage insurers will fund a loan that has a MCC.

APPLICATION FEE

\$150.00 nonrefundable fee, plus all other normal loan costs.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

MCC - USE OF MCC ALLOCATION As of July 29, 1987

	<u>1985 Allocation</u>	<u>Committed or Awarded to date "used"</u>	<u>Remaining Allocation</u>
Unrestricted	\$5,452,000	\$5,452,000	\$ - 0 -
Low Income	3,828,000	3,828,000	- 0 -
Target Areas	2,320,000	53,958	2,266,042
TOTAL	<u>\$11,600,000</u>	<u>\$9,333,958</u>	<u>\$2,266,042</u>

	<u>1986 Allocation</u>	<u>Committed or Awarded to date "used"</u>	<u>Remaining Allocation</u>
Unrestricted	\$7,050,000	\$3,633,381	\$3,416,619
Low Income	4,950,000	87,228	4,862,772
Target Areas	3,000,000	- 0 -	3,000,000
TOTAL	<u>\$15,000,000</u>	<u>\$3,720,609</u>	<u>\$11,279,391</u>

*Total MCCs issued 411
*Total MCCs pending 496

TOTAL MORTGAGE AMOUNT "USED" = \$65,335,211